

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL NO. 20-136
v.	*	SECTION: "L"
ASHLY HOWARD	*	VIOLATIONS: 18 U.S.C. § 641
	*	18 U.S.C. § 1028(a)(7)

* * *

FACTUAL BASIS

The defendant, **ASHLY HOWARD**, has hereby agreed to plead guilty as charged in the Bill of Information charging her with theft of government funds, in violation of Title 18, United States Code, Section 641 and identity theft, in violation of Title 18, United States Code, Section 1028(a)(7). Should this matter proceed to trial, both the government and the defendant, **ASHLY HOWARD**, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. The government and the defendant further stipulate that the government would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Bill of Information.¹

BACKGROUND

The United States Department of Education ("Department") is a cabinet agency of the United States Government established to ensure equal access to education and to promote education throughout the United States. One of the primary responsibilities of the Department is

¹ This proffer of evidence is not intended to constitute a complete statement of facts known to the United States. The limited purpose of this factual basis is to demonstrate a sufficient legal basis for the defendant's plea of guilty to the charged offenses.

oversight and administration of the Federal Student Aid (“FSA”) Program authorized by the Higher Education Act of 1965 to assist qualified students in obtaining post-secondary education. The Department operates, administers, and regulates various FSA programs, including the federal Pell Grant Program.

Since June 2010, the Federal Direct Loan Program has become the primary source of student loans. Education loans obtained through the Federal Direct Loan Program are made directly from the Department to students and are administered by the Department. Students eligible for such federal student loans must complete a Master Promissory Note (“MPN”).

Students must meet certain criteria to be eligible for federal financial aid under the FSA programs, to include, possession of a high school diploma or its recognized equivalent such as a General Equivalency Diploma (“GED”), maintain satisfactory progress in their courses of study, and certify that funds they receive will be used for educational purposes. This certification is made when the student signs and submits their Free Application for Federal Student Aid (“FAFSA”) form.

Information provided by an applicant on the FAFSA form is used to calculate an applicant’s Expected Family Contribution (“EFC”) towards the cost of the college. Financial Aid Administrators at the applicant’s school of choice determine the applicant’s need for federal student aid from the Department and other sources of assistance by subtracting the EFC from the student applicant’s cost of attendance.

The FAFSA can be completed online after the student obtains a Personal Identification Number (“PIN”) to complete the FAFSA form. The student applicant certifies that they are the person using the PIN, and that the funds received will be used for educational purposes only.

All schools that receive FSA program funds obtain the funds through the Department's G5 payment system ("G5"). The school requests financial aid funds from the Department and G5 deposits the funds in the school's designated Title IV bank account(s). The school then credits the funds to the student's financial aid account.

If the amount of federal financial aid received by the school exceeds the cost of attendance for a particular student, thereby creating an FSA credit balance, the school must pay the credit balance directly to the student. Payment of a credit balance to the student is often called a Title IV refund or credit refund. Credit refunds are often paid in the form of an electronic funds transfer to a financial institution account (or debit card) designated by the student applicant.

Funds received by a student under the FSA Programs must be used for an educational purpose and can be used to satisfy tuition and fees charged by the institution and for other expenses incurred by a student pursuing an education program, such as books, supplies, transportation, and living expenses.

COUNT 1: THEFT OF GOVERNMENT FUNDS

From approximately March 2018 through October 2019, **ASHLY HOWARD** ("**HOWARD**") used the Personally Identifying Information ("PII") of thirty-two (32) individuals: V.A.; J.B.; L.B.; M.B.; B.B.; L.B.; T.B.; F.C.; S.C.; N.C.; M.D.; C.F.; J.H.; N.H.; J.J.; A.J.; B.K.; M.K.; D.L.; L.M.; A.M.; C.P.; S.R.; A.S.; J.S.; T.T.; L.T.; K.V.; T.W.; V.W.; S.W.; and P.W. to fraudulently submit a FAFSA and/or MPN in each individual's name in an effort to obtain federal financial aid. **HOWARD** facilitated the submission of thirty (30) applications for admission to Nunez Community College in Chalmette, Louisiana in these individual's names. **HOWARD** facilitated the creation of Bank Mobile accounts (with a debit card) in these individual's names so that the student loan proceeds could be disbursed. Twenty-three (23) individual's Bank Mobile

cards were mailed to addresses belonging to, or in control of, **HOWARD**. **HOWARD** accepted the grants and student loans that were awarded to eighteen of these individuals and used the federal financial aid funds under the names of these individuals; some with, and some without, their knowledge or consent.

By engaging in the behavior outlined above, the defendant did, knowingly and willfully, steal, purloin, and convert to her own use, funds belonging to the United States Department of Education to which she knew she was not entitled to receive. During the course of the offense, the total financial aid awarded to the eighteen individuals based on fictitious applications submitted by **HOWARD** was \$272,001. The total amount disbursed to Nunez Community College for the eighteen individuals was \$165,382. The defendant, **HOWARD**, directly received \$118,488 in fraudulently obtained student aid refund monies from the Department of Education.

COUNT 2: IDENTITY THEFT

On or about May 21, 2018, **HOWARD** submitted a FAFSA on behalf of C.P. by utilizing C.P.'s name, social security number and date of birth. On or about September 4, 2018, **HOWARD** submitted a MPN on behalf of C.P. by utilizing C.P.'s name, social security number and date of birth. **HOWARD** submitted both applications in the name of C.P. for the purpose of receiving fraudulent Federal Direct Stafford loan proceeds and Federal Direct Unsubsidized Stafford loan proceeds. As a result of the scheme devised by **HOWARD**, Nunez Community College refunded excess financial aid in the amount of \$9,846.48 in C.P.'s name to **HOWARD**.

C.P. has neither a high school diploma nor GED, and she has never knowingly applied to college. She knew nothing about the financial aid refunds in her name which were deposited into accounts accessed by **HOWARD**. C.P. had previously provided her social security number and date of birth to **HOWARD** for tax return preparation purposes, as **HOWARD** purported herself

to be a tax return preparer. C.P. was unaware **HOWARD** used her identity to obtain federal financial aid and student loans in her name. C.P. did not give **HOWARD** permission to use her identifying information outside of tax return preparation.

Both the government and the defendant, **ASHLY HOWARD**, do hereby stipulate and agree that the above facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty and that the government would have proven these facts beyond a reasonable doubt at trial.

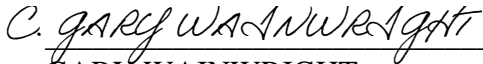
READ AND APPROVED:



KATHRYN MCHUGH
Assistant United States Attorney

2/18/21

Date



GARY WAINWRIGHT
Counsel for ASHLY HOWARD

02-17-2021

Date



ASHLY HOWARD
Defendant

2.17.21

Date